



A L O H A
from
Councilmember
Todd K. Apo

For the 2008 fiscal year (July 1, 2007-June 30, 2008), the Mayor has proposed a \$1.6 billion Executive Operating budget and \$724 million Capital budget for the City and County of Honolulu.

The operating budget includes all costs for city government services and functions, and the capital budget includes all of the construction projects the City will undertake. Capital Improvement Program (CIP) Projects are direct improvements to your area or neighborhood, such as road and sewer repairs, park renovations, or fire station upgrades.

Now, I know that for some of you reading this, the City budget may be a completely new or perhaps overwhelming subject. But looking beyond the numbers and spreadsheets, the budget is an important planning tool for the City and its operation. Elected officials can make the most significant impact in policy, government priorities and goal setting through the budget.

Accordingly, the City Council's annual budget review and adoption is one of its most important duties. It is also probably one of the most important government functions for residents

See "Understanding the City's Budget" on page 2

Major road improvements underway for Ewa Plain, Kapolei and Leeward Coast

The Ewa Transportation Coalition meets quarterly to discuss the transportation needs of West Oahu and the Ewa Plain. The coalition is an informal assembly of area stakeholders and decision-makers that includes project representatives, various elected officials and government agencies.

In late March, the Ewa Transportation Coalition (ETC) convened at Kapolei Hale for its first meeting of the year. Transportation department representatives from the State and City & County presented updates on infrastructure projects for West Oahu and the Ewa Plain.

STATE PROJECTS

State Department of Transportation Deputy Director Brennon Morioka updated ETC attendees on 14 different state projects.

These projects include improved access and road widening along H-1, Farrington Highway, Fort Barrette Road and Fort Weaver Road; mandated bridge upgrades; and Phase 1 for the Leeward Bikeway. Estimated costs for each of the projects range from \$3 million to over \$160 million.

The new North/South Road construction, improved H-1 interchanges and Fort Weaver Road improvements are currently under way. These projects will provide much needed traffic management and a firm footing for Kapolei and Ewa's booming growth. Among all the state projects presented at the ETC meeting, these also bear the largest estimated costs. Each project's construction phase is either already in-progress or will be breaking ground this year.

See "Ewa Transportation Coalition" on page 3

Honouliuli Wastewater Treatment Plant upgrades facilities **New equipment will reduce odors, increase capacity**



HONOUILIULI TREATMENT PLANT
(photo from www.hbws.org)

The Honouliuli Wastewater Treatment Plant on Geiger Road will begin upgrading its facility within the next two months. Overall, the upgrade will increase the plant's solids handling capacity and reduce generated odors. The

two-year project is scheduled to be completed by Spring 2009.

The Honouliuli facility processes waste water and sewage from local residences and businesses. Located in Ewa on Geiger Road, the treatment plant services the area which extends from Ko Olina to Red Hill, with Mililani on the northern boundary. Pearl Harbor and Campbell Industrial Park are not included as they have their own treatment facilities.

Upgrades will bring new technology to the plant, which will ideally cut down on odors that have spurred many resident complaints.

See "Honouliuli improvements" on page 3

Understanding the City's budget process & proposals

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to understand. Knowing more about the City's budget and how it's created can make them more informed citizens and voters.

As Chair of the Budget Committee this year, our office has been busy with the responsibility of managing the annual budget review cycle. To summarize, the budget cycle has three phases: preparation, review and execution.

BUDGET PREPARATION

Kicking off the budget cycle is the Mayor's preparation and submission of the Executive Operating and Capital budgets to the Council. The Capital budget contains annual monies set aside for projects that are part of the City's six-year Capital Improvement

Program. Conceptually, both of these budgets are in effect for one year, from July 1 to June 30 of the following year. However, funding can be encumbered beyond that period, which is typically done for the Capital budget.

The revenue program is another component within the Mayor's proposed Executive budget which identifies what sources will be used to provide budget funding. A revenue program could consist of different financing sources and legislative measures. The City can borrow and/or secure grants, as well as make adjustments to several rate schedules, such as Real Property Taxes and Sewer Fees, in order to bring in revenue.

Within the proposed executive

operating and capital budgets, the Mayor highlights six issues for Fiscal Year 2008 (see box below).

By being knowledgeable of these executive budget proposal highlights, you hopefully will have a broader understanding of councilmember discussions throughout the budget cycle.

BUDGET REVIEW

Currently, we are in the midst of the budget cycle's intensive review phase, which lasts approximately 3 months. The Council's Budget Committee presides over a dozen public meetings and departmental hearings to discuss the budget. During this time, the Council not only receives public input, but also makes amend-

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Highlights from the Mayor's proposed Fiscal Year 2008 Budget

1. Fiscal stability reserve fund. The purpose of this fund is to support the City in case of an emergency, such as a natural disaster. For FY 2008, the Mayor proposes to increase the reserve, which currently has approximately \$10 million.

2. Property tax and related measures, credits. The Mayor's plan to address the issue of higher property values is three-fold: i) proposed legislation to create a new "homeowner" tax class; ii) tax credits for qualifying homeowners and low-income renters; and iii) new real property tax rates.

For agricultural land, there is a proposed real property tax (RPT) rate reduction of 33%, from \$8.57 to \$5.70 per \$1,000 net assessed value.

The Mayor proposes that the same rate of \$5.70 per \$1,000 net assessed value also apply to preservation and unimproved residential properties. There is a proposed RPT increase of 4% for the hotel/resort, commercial and industrial property classes, from \$11.97 to \$12.50 per \$1,000 net assessed value.

3. Sewer infrastructure improvements. \$350 million worth of sewer and wastewater improvement projects have been proposed. Accordingly, the

sewer fee schedule will increase to provide needed revenue.

4. Reserve for Other Post-Employment Benefits. To date, the City has an unfunded liability for retired City employees' other post-employment benefits (OPEB). With recent statements issued by the Government Accounting Standards Board (GASB), states and counties across the nation need to address this issue of fiscal responsibility. The Mayor proposes the establishment and initial funding of a special reserve fund for OPEB.

5. New Transit Division. The Mayor proposes the establishment of a Honolulu High-Capacity Transit Project/Rapid Transit Division and Transit Oriented Development Office to manage and monitor the current and anticipated activities and services associated with the Honolulu's pending rapid transit system.

6. Department of Emergency Management. This newly established department replaces the Oahu Civil Defense Agency, and has a significantly expanded role in terms of Homeland Security and emergency operations. Accordingly, a new stream of funding needs to be allocated. ♦

Ewa Transportation Coalition Report

State Road Projects *(continued from page 1)*

North/South Road, Kapolei Parkway to Vicinity of H-1. Phase 1A is currently in construction. Estimated total cost, Phase 1A: \$17 million. Phase 1B and 1C will break ground later this year. Estimated total cost, Phase 1B-C: \$150-160 million. This project is funded by both federal (80%) and state (20%) monies.

Interstate Route H-1 Additions and Modifications between Makakilo Drive and Palailai. This project will construct a new west-bound H-1 on-ramp from Makakilo Drive and diamond-ramp access to H-1 from Kamokila Boulevard at Wakea Street. The project is out for bid, and construction will begin this year. Phase 1 is funded through a public-private partnership with Kapolei Property Development. Estimated total construction: \$18.6 million.

Fort Weaver Road widening from Aawa Drive to Geiger Road. The \$59.9 million project will continue to widen the existing roadway from four to six lanes (Laulaunui Street to Geiger Road). Project was awarded in October 2006. State received notice to proceed in February 2007.

Construction improvements for two major intersections along Farrington Highway will begin in 2008:

Farrington Highway and Haleakala Avenue. Estimated total cost \$3.2 million.

Farrington Highway and Nanakuli Avenue. Estimated total cost: \$3.2 million.

Each intersection will acquire an auxiliary left-turn lane from Farrington Hwy., sidewalks and relocated utilities and traffic signals.

Project scoping and design procurement is currently in progress the third Farrington Highway intersection improvement:

Farrington Highway and Lualualei Homestead Road. The schedule is still being planned. Improvements include: left-turn lane from Farrington Hwy.; widened roadway; reconstructed sidewalks; relocated bus stop, walls, traffic signals, and utilities. Estimated total cost: \$4.5 million.

State projects scheduled to begin construction in 2009:

Fort Barrette Road, widening from Farrington Highway to Barber's Point Gate. Fort Barrette two-lanes will expand to a four-lane divided highway with raised median. Other improvements in-

clude: bike lanes, sidewalks, curbs and gutters, lighting, traffic signals. Estimated total cost: \$20.2 million.

Interstate Route H-1, Seismic Retrofit, Farrington Highway and Makakilo Separation and Military Road Overpass. Estimated total cost: \$3.95 million

State projects scheduled to begin construction in 2010:

Leeward Bikeway, Phase 1, Waipio Point Access Road to Hawaiian Railroad Society Train Station. This project will construct a 40-foot wide multi-use path along the old Oahu Railway and Land Company's right-of-way. State is currently procuring a design consultant. Project will include drainage structures, crossing structures, and retaining walls. After all phases are completed, the existing bikepaths will be connected into a continuous route serving the Pearl Harbor area to Lualualei. Estimated total cost: \$4.8 million. Construction is scheduled to begin 2010.

Farrington Highway Bridges will be replaced or upgraded to current standards.

- **Makaha Bridges** (No. 3 and 3A) will be replaced, including sidewalks, railings and other improvements. The design is currently in progress and construction will begin in 2010. Estimated total cost: \$13.5 million.

- **Maipalaoa Bridge** will be replaced and upgraded. The search for design consultant is in progress. Construction is expected to begin 2011. Estimated total cost: \$12.8 million.

- **Kaupuni Stream Bridge** will be widened and upgraded to current standards. Design procurement begins 2008. Construction is expected to begin 2012. Estimated total cost \$10.5 million.

The following state project is currently in the scoping and design procurement phase:

Kalaeloa Roadway Improvements, Vicinity of Barber's Point Naval Air Station.

Improvements include upgrading Roosevelt Avenue, Coral Sea Road and Enterprise Avenue to City & County standards. The construction schedule is being developed. Estimated total cost: \$15-16 million. *(continued on page 5)*

Honouliuli improvements

(continued from page 1)

Planned improvements include: new anaerobic digesters, a new digester control building, modifications to the existing dewatering building, a new electrical switchgear room, refurbishment of the existing gravity thickeners, refurbishment of the existing blend tanks, new odor control system and the installation of cogeneration equipment.

During these improvements, measures will be taken to minimize dust, noise and odors. There are no planned road closures outside of the facility. For more information, you may call the project's hotline: 536-8557. ♦

We have a new website!

New design! Easier Navigation! More Updates!

<http://www.toddapo.org>

We have re-designed the City Council District 1 webpages. The new homepage will have regular updates on legislative activity, plus there will be a Q&A forum with Councilmember Apo. Visit www.toddapo.org and let us know what you think. Your suggestions and comments are appreciated.

Capital Improvement Projects

DISTRICT 1

Each year a significant portion of the City's budget is earmarked for various Capital Improvement Program projects (CIP). For Fiscal Year 2008, approximately over thirty CIP projects are proposed for District 1.

Additionally, Councilmember Apo introduced amendments to include appropriations for other District 1 projects including Kapolei Regional Park, Asing Park and Leeward Coast Parks Improvements. Some of the district CIP projects proposed for funding include the following items:

Proposed District 1 – CIP FY 2008 (Amount Proposed, Project Title, CIP#)

\$1,050,000	ADA Improvements To Public Building	1994009
\$200,000	Ewa Villages - Historic Plantation Managers House Renovation	2008047
\$1,350,000	Ewa Villages Revitalization Project - Area D	2008005
\$2,090,000	Kapolei Consolidated Corporation Yard	1995006
\$405,000	Waianae Police Station Replacement	2006039
\$100,000	Ewa Beach Fire Station Relocation	1976166
\$2,000,000	Fire Station Buildings Improvements	1998021
\$3,471,000	Computerized Traffic Control System	1999311
\$1,002,000	Waianae Coast Alternate Route	2001077
\$3,340,000	Flood Control Improvements At Various Locations	2000101
\$645,000	Guardrail Improvements	1998515
\$2,302,000	North-South Rd/Park Row Roadway (Kapolei Pkwy/Park Row Roadway)	1998523
\$1,900,000	Kamokila Boulevard Extension	2005024
\$1,525,000	Drainage Improvements At Various Locations	2000052
\$1,000	Solid Waste To Energy Facility – Purchase	2008061
\$750,000	Ewa Beach Sewers, Section 4, Improvement District (TMK: 9-1-01:37 – 42)	1997811
\$15,003,000	Honouliuli Wastewater Treatment Plant Solids Handling System And Improvements	2000067
\$5,550,000	Honouliuli Wastewater Treatment Plant Upgrade	2003123
\$703,000	Lualualei Wastewater Pump Station Force Main	2008091
\$401,000	Makaha Interceptor Sewer Rehabilitation/Replacement	2006058
\$16,401,000	Wastewater Treatment Plant, Pump Station, and Force Main Projects	2001062
\$1,000,000	Ewa Mahiko District Park, Ewa Beach (TMK 9-1-17-051 Por., 049 Por., & 004 Por.)	1985053
\$200,000	Kaupuni Neighborhood Park, Waianae	2002067
\$1,000,000	Leeward Coast Park Improvements	2007078
\$75,000	One'ula Beach Park, Ewa Beach	1995127
\$1,000,000	Intra-Island Ferry	2006133

Budget overview

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ments to the proposed executive budgets.

Again, this is an excellent opportunity for you to be involved. It would be great if you are able to attend committee and council meetings, however sending email messages and testimony about specific items can be easier and is very helpful in the evaluation process. Let all of the councilmembers know what projects, organizations and City services are important to you.

The City Charter mandates that the Council's review must be completed and an operating and capital budget must be adopted, no later than June 15. After adoption, both budgets are sent to the Mayor for his signature. Barring any veto and upon signing, the adopted budgets are considered enacted.

BUDGET EXECUTION

Finally, execution is the last phase of the budget cycle. This is the 'spending' part of budgeting, where approved operating and capital funds are encumbered and used by the City. However, spending City money isn't the

same as spending your own paycheck, as there are still more reviews to go through.

The expending process starts when individual departments submit quarterly expenditure plans to the Department of Budget and Fiscal Services and the Mayor for review and approval. Upon approval, departments are then authorized to proceed with making expenditures. As you can tell by now, simply being included in the Operating and Capital budget does not always guarantee funding. Throughout the year all appropriations and allotments depend on numerous factors, such as actual cost, completion time frame and the availability of monies.

Hopefully my column this month has given you a better picture of how money moves and budgeting happens in the City. Stay tuned for my summer newsletter, where I will have an update on the approved FY2008 budget, especially in terms of real property tax assessments, credits and exemptions, plus all proposed District CIP Projects.

As always, you can email me at tapo@honolulu.gov. During the year I regularly send out electronic newsletter updates, so please visit my website at www.toddapo.org and join our mailing list. If you have any other questions, please feel free to call me at 547-7001.♦

West Oahu Ferry Demonstration Project set to launch in July 2007

This July, the City plans to launch a new ferry service for West Oahu residents who commute downtown. The year-long ferry project will be a two-boat operation whose route runs between Kalaeloa Barbers' Point Harbor and Downtown Honolulu's Aloha Tower.

The Bus will have routes directly serving the ferry terminal, and each ferry has a capacity of 149 passengers. Current legislation, Bill-025 (2007) CD1, proposes that the commuter ferry fares will be the same cost as bus fares, with bus passes granting holders access to buses and ferries.

The City has scheduled three morning departures from West Oahu and three late afternoon returns from Downtown. Ferries will leave Kalaeloa Barbers' Point Harbor at 5:30 a.m., 6:00 a.m. and 8:00 a.m. At the end of the day, the ferries will depart Downtown Aloha Tower at 4:30 p.m., 5:30 p.m. and 7:00 p.m.

This project is federally funded for one-year (two six-month increments), with anticipated expenditures of \$3 million the first six months, and \$2 million for the second six months. The City is currently working on securing sufficient parking for ferry riders that commute to Kalaeloa pier. According to the Federal Transit Authority, which is funding the \$5 million grant, ample parking is a necessary component to the overall project. ♦

CITY COUNCIL CALENDAR MAY-AUGUST

MAY COUNCIL MEETING

May 2 9:00 am Wednesday

COMMITTEE MEETINGS

May 15	9:00 am	Tues	Zoning
May 15	1:00 pm	Tues	Public Health/Safety
May 15	2:30 pm	Tues	Planning & Econ
May 16	9:00 am	Weds	Budget
May 16	1:00 pm	Weds	Executive Matters
May 16	2:30 pm	Weds	Intergov't Affairs
May 17	9:00 am	Tues	Public Wks/ Energy
May 17	1:00 pm	Tues	Transportation
May 17	2:30 pm	Tues	Affordable Housing
May 23*	TBA	Weds	*Special Budget Hearing

JUNE COUNCIL MEETING

June 6 9:00 am Wednesday

COMMITTEE WEEK

June 19-21 Tuesday, Wednesday, Thursday

JULY COUNCIL MEETING

July 5 9:00 am Thursday

COMMITTEE WEEK

July 31-Aug 2 Tuesday, Wednesday, Thursday

AUGUST COUNCIL MEETING

Aug 15 9:00 am Wednesday

Ewa Transportation Coalition Report

County Road Projects *(continued from page 3)*

Councilmember Apo and representatives from the Department of Transportation Services presented updates on City and County projects. The bigger projects concern City and County arterial access to state roads and highways. The City's components dovetail into some of the state projects previously listed above.

Kamokila Boulevard Extension

This joint public-private project with Kapolei Property Development (KPD) is underway. The 925-foot extension of Kamokila Boulevard will connect Kapolei Parkway to Roosevelt Avenue. Upon completion, drivers will have easier accessibility to Ewa Beach through Roosevelt Avenue, and to Makakilo through Fort Barrette Road.

In January, KPD broke ground on their portion of the extension. This 625-foot portion, which runs from Kapolei Parkway to the drainage ditch, should be completed at the end of this year.

The City and County will build the remaining section, from the drainage ditch to Roosevelt Avenue. The Environmental Impact Statement and design are completed, and the construction should

be done by end of 2008. The City is coordinating with the Hawaiian Railroad Society and State to make the final connection to Roosevelt Avenue.

Relocation of Kapolei Transit Center

The current location will be closed and moved to accommodate the new H-1 access ramps at Kamokila Boulevard and Wakea Avenue. Relocation work is in-process with the Department of Design and Construction.

Kapolei Parkway

Completion of Kapolei Parkway (City's portion) is scheduled to coincide with the State's opening of North/South Road.

Keaunui Drive Traffic Calming

The road has been modified to slow down traffic by Holomua Elementary School.

Makakilo Drive Extension to H-1 (Second Access)

The Environmental Impact Statement and project design are currently under way, and additional construction funding is being secured. This City extension coordinates with the State's North/South Road and H-1 underpass project. ♦